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United States Department of State

Washington, D.C. 20520

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MEMORANDUM FOR BRENT SCOWCROFT
THE WHITE HOUSE

Subject: Background Paper and Points To Make for Your Meeting
with Wan Li, Chairman of the Standing Committee of
the PRC's National People's Congress

Attached are the Background Paper and Points To Make for
the President's May 23 (2:00-3:00 p.m.) meeting with Wan Li,
Chairman of the Standing Committee of the National People's
Congress of the People's Republic of China. Wan Li will be in
the US May 22 to June 1. The Vice President has agreed to
serve as Wan Li's official host.

J. Stapleton Roy
J. Stapleton Roy
Executive Secretary

Attachment:

Background Paper and Points To Make

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(with SECRET attachment)

Drafted: EAP/CM - JBader (x7-6300)

5/2/89

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The President's Meeting with Wan Li

Setting

- o Wan Li comes to the US following a period of domestic turmoil in China, when the leadership appeared indecisive in dealing with massive demonstrations demanding democratic reforms. He also arrives in the US just four days after Gorbachev's departure from Beijing.

Wan's Objectives

- o Wan will wish to project a Chinese leadership unshaken by the student demonstrations and still firmly committed to economic and political reform.
 - Wan has long been among the strongest advocates of economic reform and introduction of market incentives. He is likely to say that current economic retrenchment measures are temporary, and that economic reform should be resumed soon.
 - There is no sign that Wan deviates from the general leadership consensus that political reform should take a back seat to economic reform.
 - He may try to explain China's need for stability at this especially difficult time. He might hope for a US restatement of commitment to close relations with China despite its current problems.
- o Wan may seek to allay concerns that PRC leaders have succumbed to Gorbachev's blandishments and will seek to convey the message that the PRC regards its relationship with the US as more important.
 - Wan may outline the outcome of Sino-Soviet discussion of their bilateral relations and Cambodia. While noting continued differences, he may seek to use improving Sino-Soviet relations as a way of tempering US behavior in certain areas troubling to China, such as human rights and Taiwan.

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Your Objectives

- o You will wish to reiterate our commitment to strengthen US-PRC relations, yet be frank about some problem areas and uncertainties, especially in light of the stronger Sino-Soviet ties implied by the Gorbachev visit to Beijing.
- o A brief statement of our continuing desire to develop Sino-American commercial relations and US investment in China would be appropriate.
- o We should make clear our hope that China will continue on the path of reform it has charted since 1978.
 - Politically, we should express our interest in the way in which the current turmoil and the leadership's reaction affect human rights in China. Our preference for dialogue between the leadership and dissident students and protection of freedom of expression should be noted.
 - Economically, we should express understanding of the goals of China's retrenchment program, making clear our concern that it not be undertaken in ways which prejudice US commercial or investment interests or which threaten to halt the reform process.
 - We should articulate our view that China can best achieve the stability its leadership wants if it renews its commitment to political and economic reform.

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Points to Make

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United States Department of State
Office of FOI, Privacy, & Classification Review
Review Authority: AINSWORTH, THOMAS
Date: 08/12/94
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US-China Relations

- As I made clear during my visit to Beijing in February, I am personally committed to further development and expansion of US-China relations during my Administration.
- I see opportunities for us to expand our commercial relations and US investment in China. Whether we seize these opportunities will depend on both of us.
- For our part, we will resist protectionism, keep our market open. We hope China will look for ways to promote US investment and commerce. For example, laws to protect intellectual property rights, particularly of computer software; negotiation of a meaningful bilateral investment treaty; and careful steps in China's retrenchment which do not prejudice foreign investors and traders are critical.

Sino-Soviet Relations, Cambodia

- I would like to hear your assessment of Gorbachev's visit.
- As for US-Soviet relations, we hope for continued progress in our five-part agenda: human rights, regional conflicts, arms control, global issues, and bilateral activities.
- The US goal in Cambodia is a solution in which 1) there is a verified and complete Vietnamese withdrawal; and 2) effective measures, including a strong international presence, an interim coalition government, and free elections, to prevent a Khmer Rouge return to dominance or control by the Vietnamese-installed PRK regime. We welcome a more active US-PRC dialogue on how to achieve these goals.

Human Rights

- The US public has been intrigued by developments in Beijing since Hu Yaobang's death. I'd be interested in your assessment.
- We have, and the US public expects, a strong commitment to human rights, and we pursue it globally. We do so with China as with others.
- The sympathy of the US public for the political and economic reforms undertaken by China in the last decade has been crucial to building support for our relations. Further progress in protection of human rights, in which the National People's Congress can play a key role, is important to solidifying that support.
- I hope that in dealing with the grievances voiced by students, China's leaders recommit themselves to those reform goals, including freedom of expression. The stability China needs to pursue its reforms depends on further progress in reform.
- I hope martial law can be lifted in Tibet soon.

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